GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3042
ANSWERED ON:10.08.2001
SBI IN INSURANCE SECTOR
SUBODH MOHITE

Will the Minister of FINANCE be pleased to state:

(a) whether the Life Insurance Corporation of India is looking for strategic alliance to maintain its premier position in the Indian Life Insurance Market;

(b) if so, the reasons thereto;

(c) whether the State Bank of India or its subsidiary has started life insurance business;

(d) if so, its impact on the business of LIC; and

(e) the measures proposed to remain leader in insurance market by LIC?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

(a) The Life Insurance Corporation has intimated that they are not looking for strategic alliances in life insurance business.However, they expect to maintain their premier position in the Indian life insurance market.

(b) Does not arise.

(c) SBI Cardiff Life Insurance Co., a joint venture between State Bank of India and Cardiff Insurance of France has been granted registration by the IRDA on 30th March, 2001 to commence life insurance business.

(d) It is estimated that registration of new insurance companies in private sector will not substantially affect business of LIC.

(e) LIC, to maintain its leadership in insurance market, have taken a number of steps such as prompt settlement of claims, computerisation and networking of all branches, introduction of new products, sharpening of skills of employees by HRD programs, training of agency force etc.